



Recommended FY15 Budget

February 3, 2014



FY15 Budget Challenges

- Less revenue
- Built-in expense growth
- Importance of efficiencies
- Educational funding vital
- Needs in health and social services
- Required Rainy Day Fund contribution



Overview: Available Revenues

	Recurring	Non-Rec
Base Increase/(Decrease)	(\$116.2)	\$0
Revenue Growth @ 3.25%	\$323.0	\$0
Inheritance Tax Exemption	(\$20.4)	\$20.4
Other State Revenue	\$32.1	\$532.1
Overappropriation Increase	\$17.0	\$0
Revenue from FY14	\$0.2	\$256.2
Debt Service Fund Revenue	\$25.0	\$0
Total Available Revenues	\$260.7	\$808.7

(Millions)



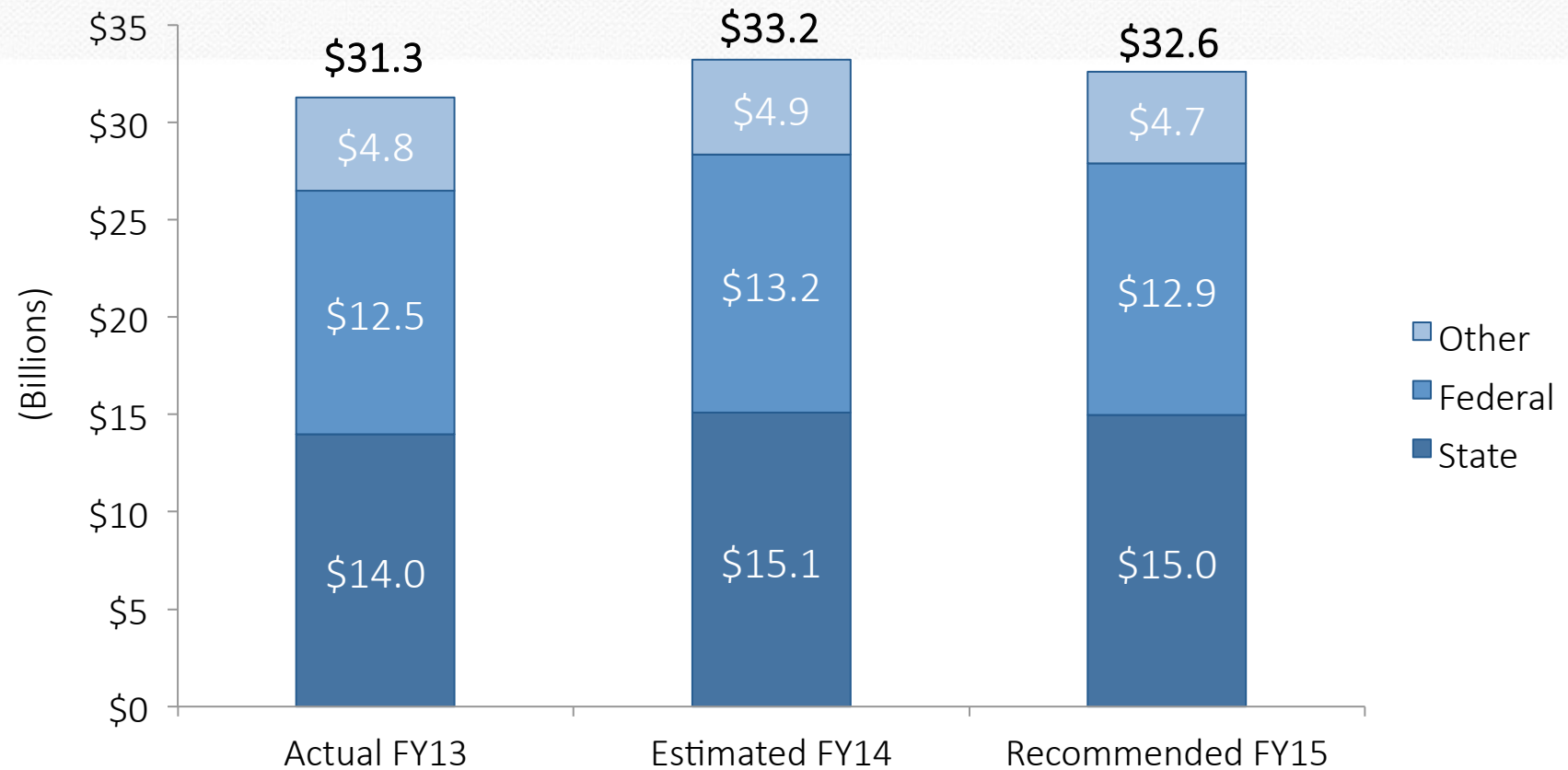
Overview: Revenues and Expenditures

	Recurring	Non-Rec
Available Revenues	\$260.7	\$808.7
Less Cost Increases	(\$393.5)	(\$827.4)
Preliminary Balance	(\$132.8)	(\$18.7)
Revenue Restored Through Base Expense & Vacancy Reductions	\$132.9	\$19.1
Final Balance	\$0.1	\$0.4

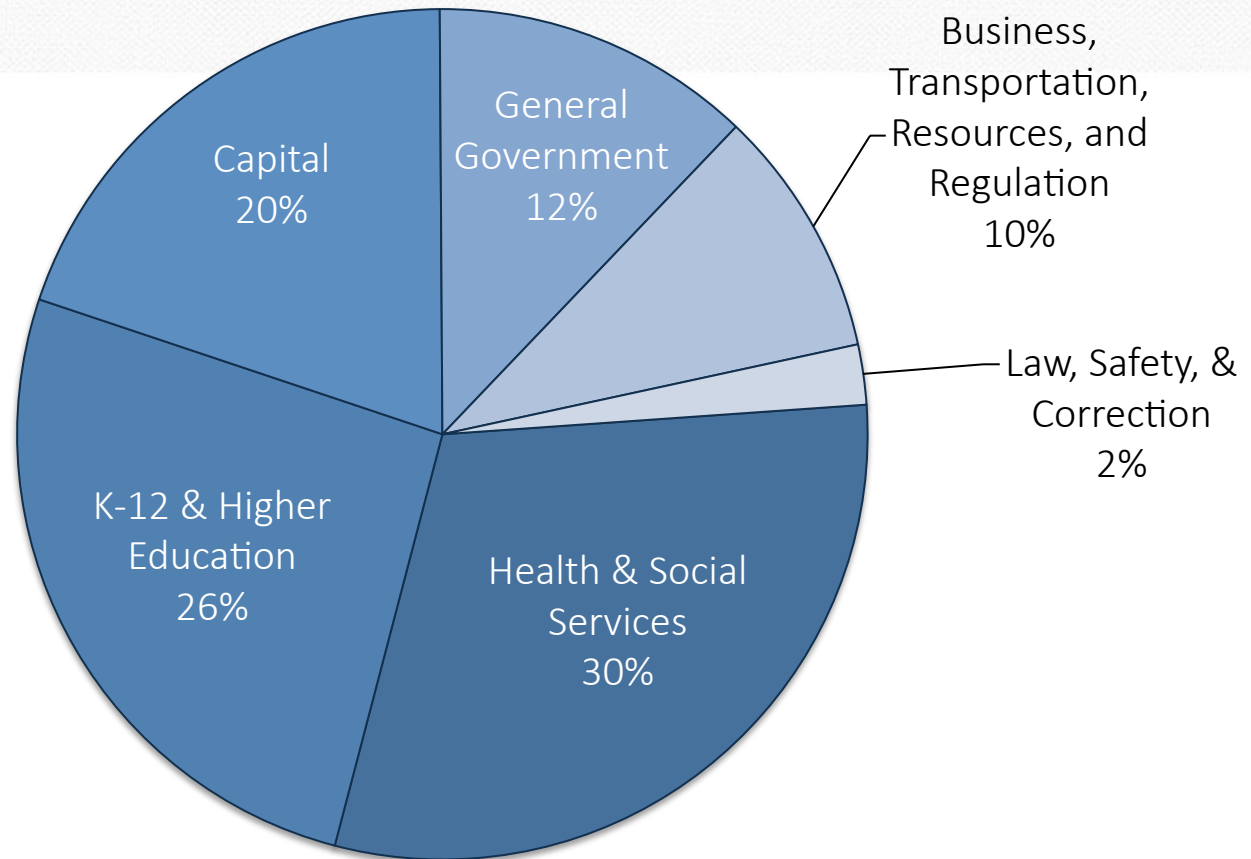
(Millions)



State Budget By Fiscal Year

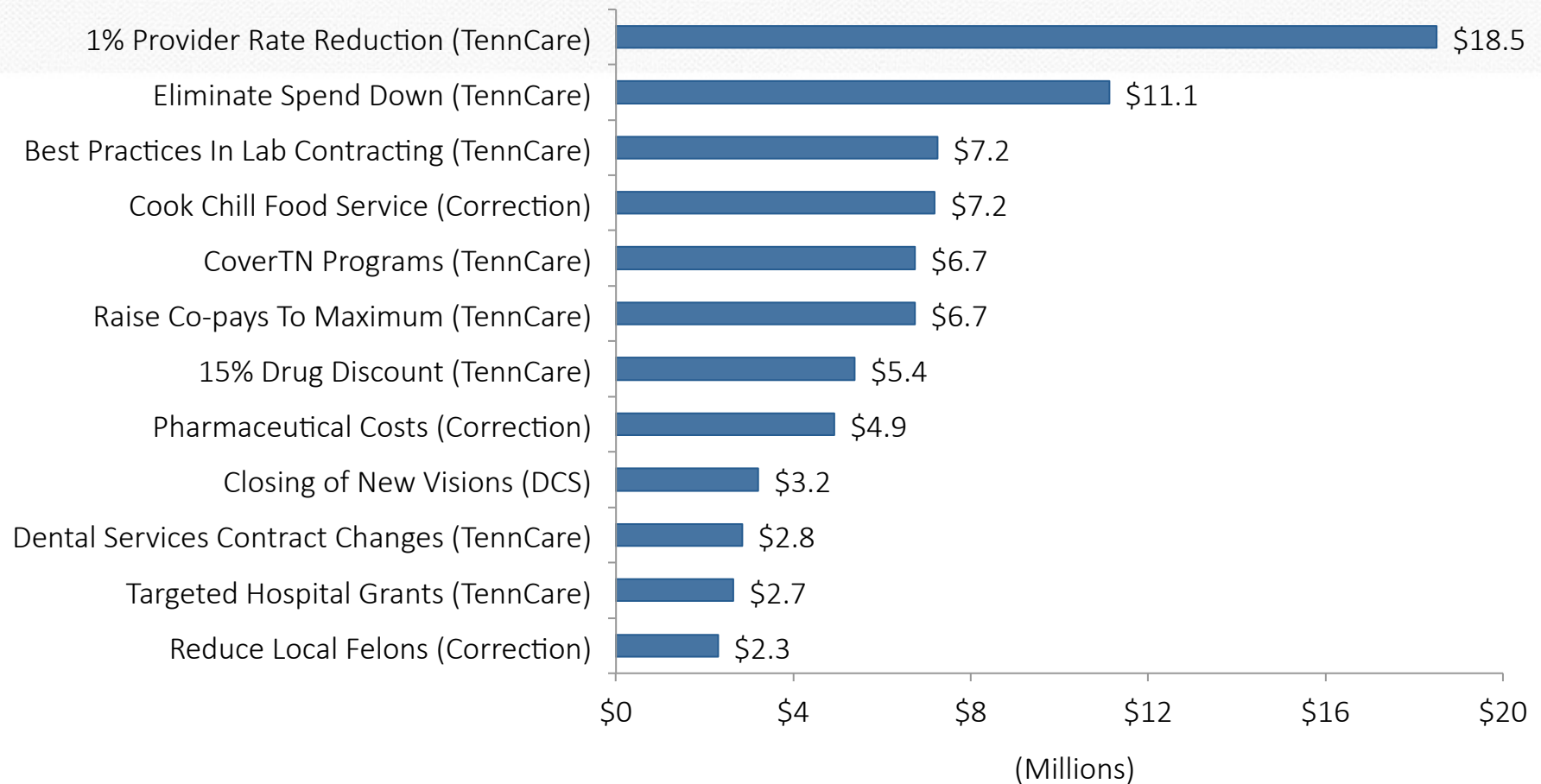


State Funding of Cost Increases



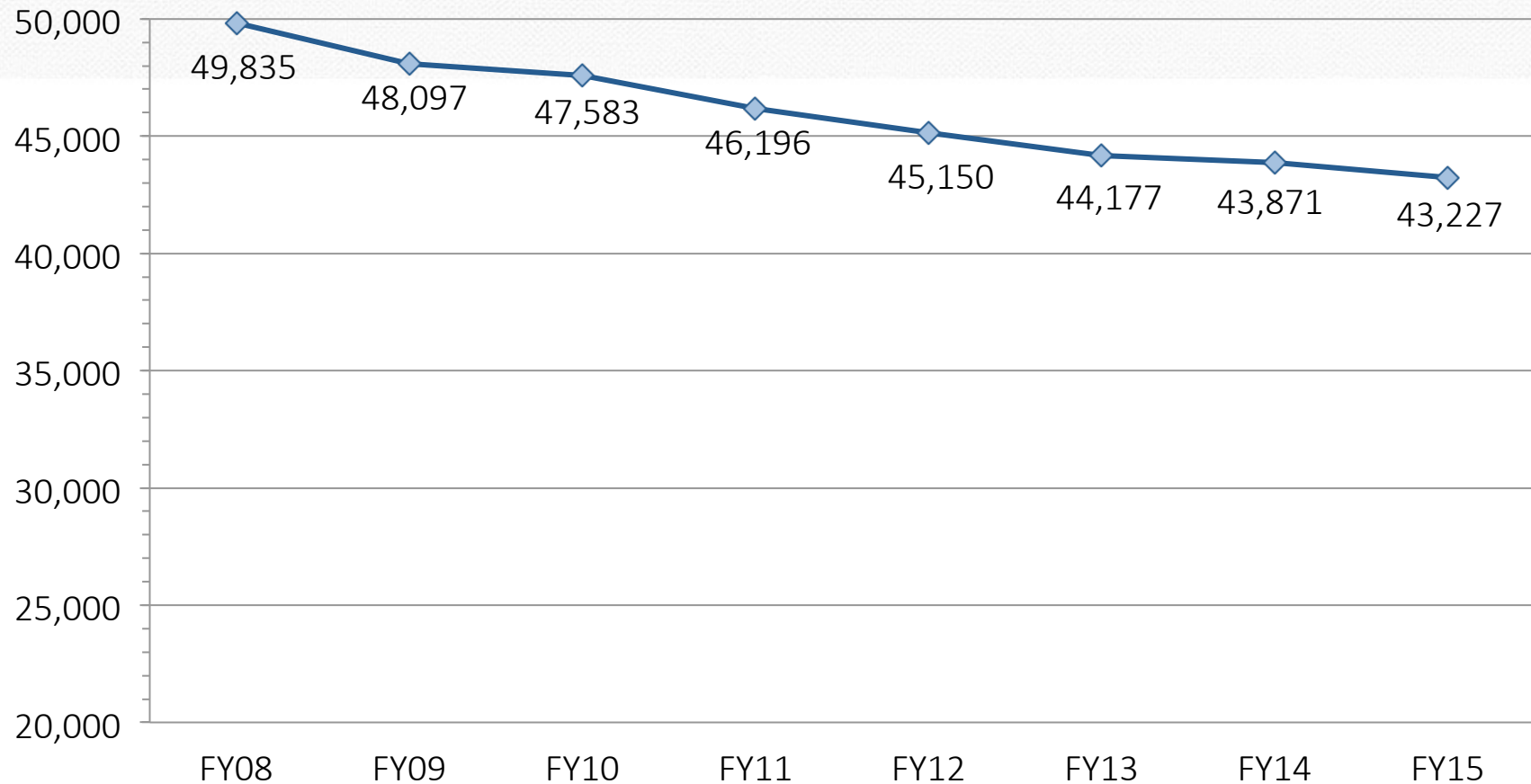


Selected Reductions



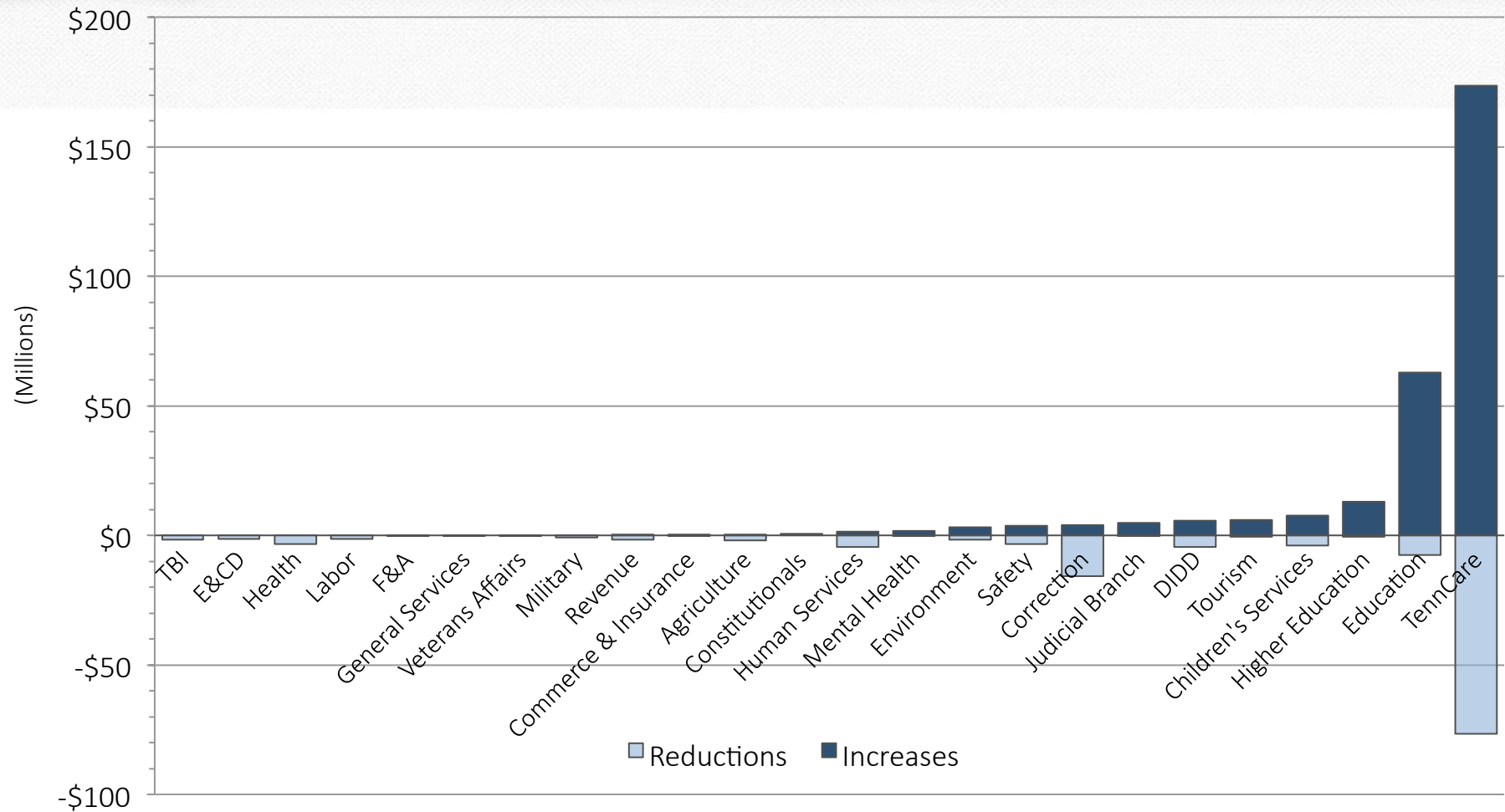


General Fund Positions



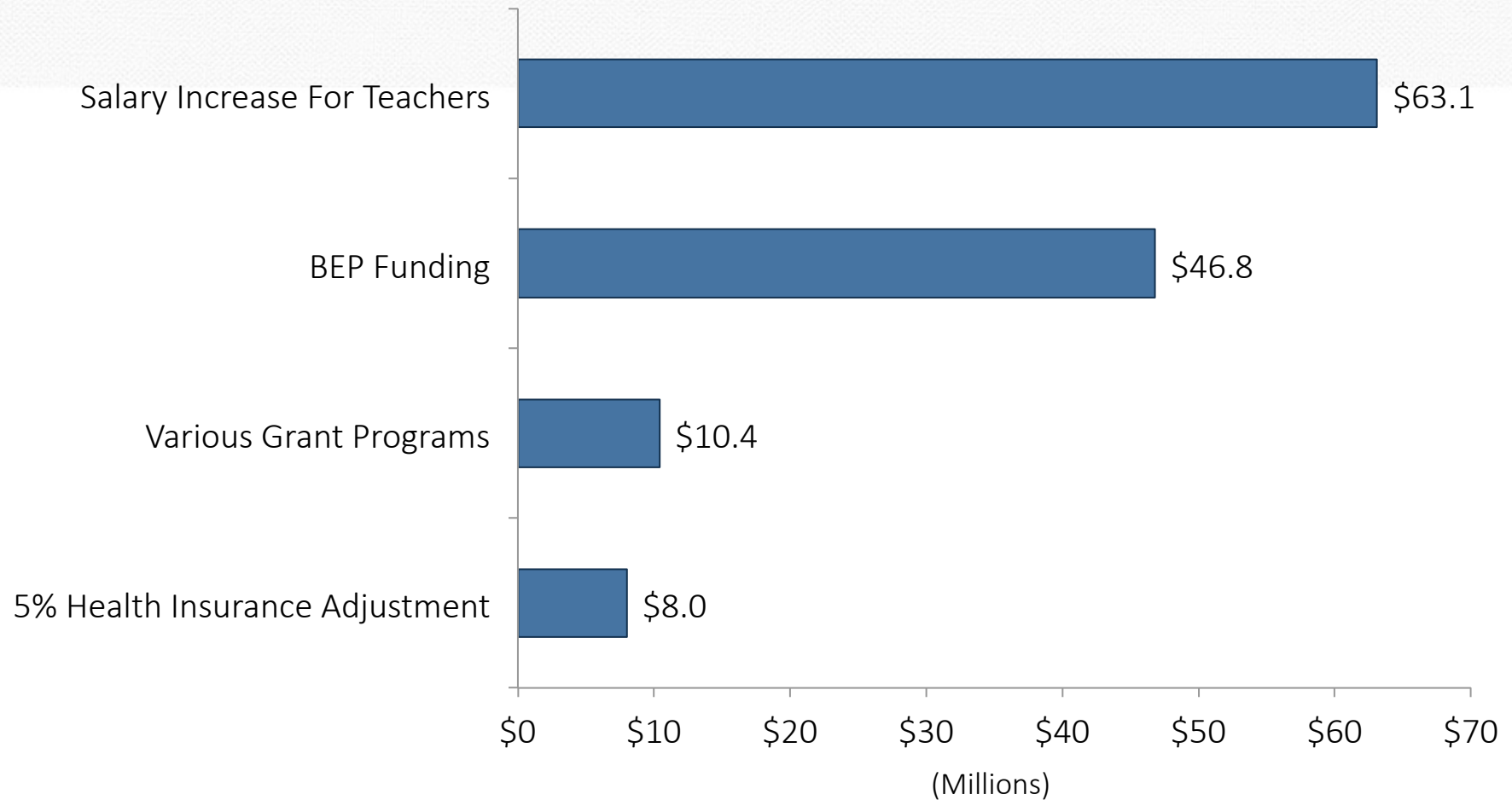


Reductions and Increases



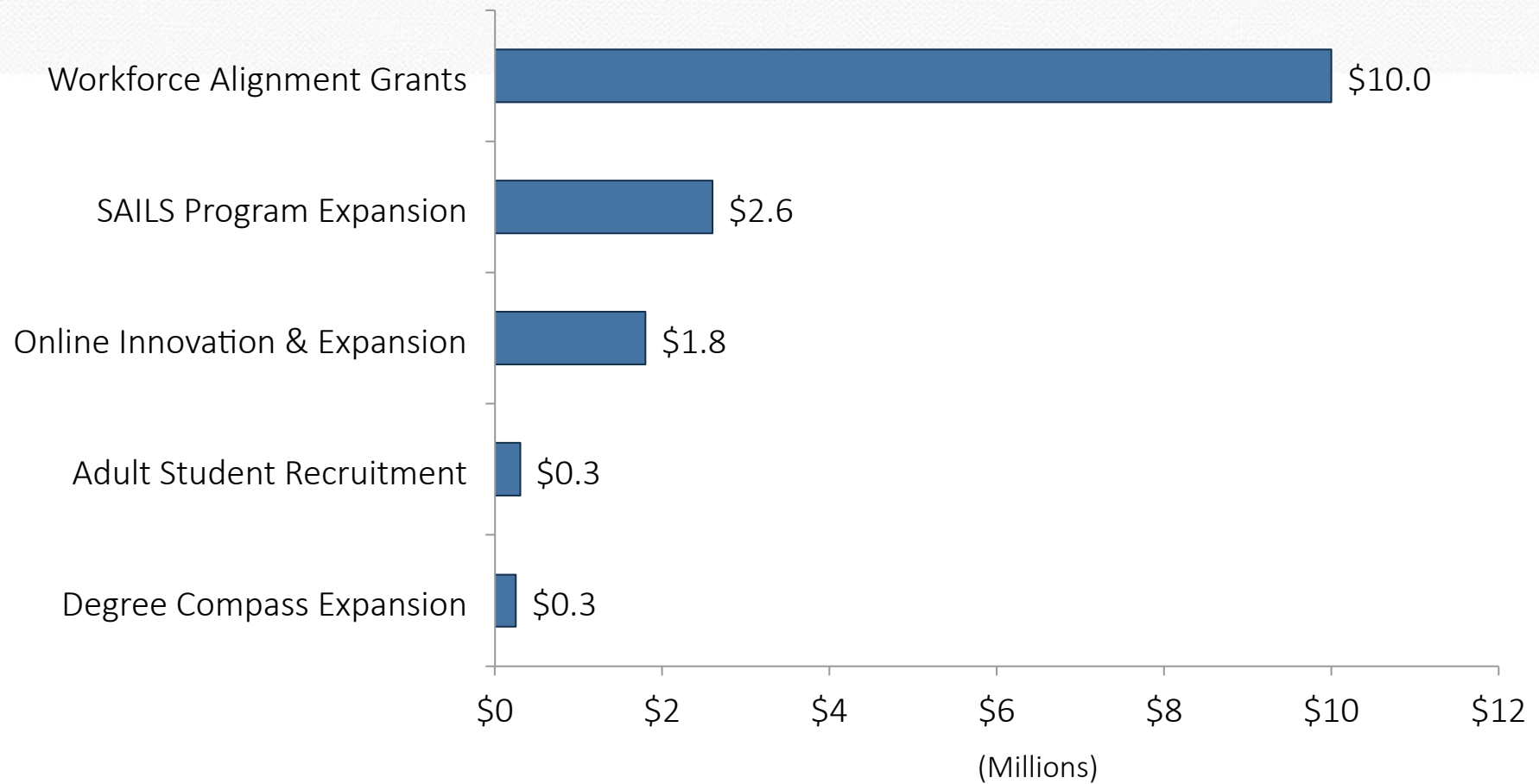


K-12 Education



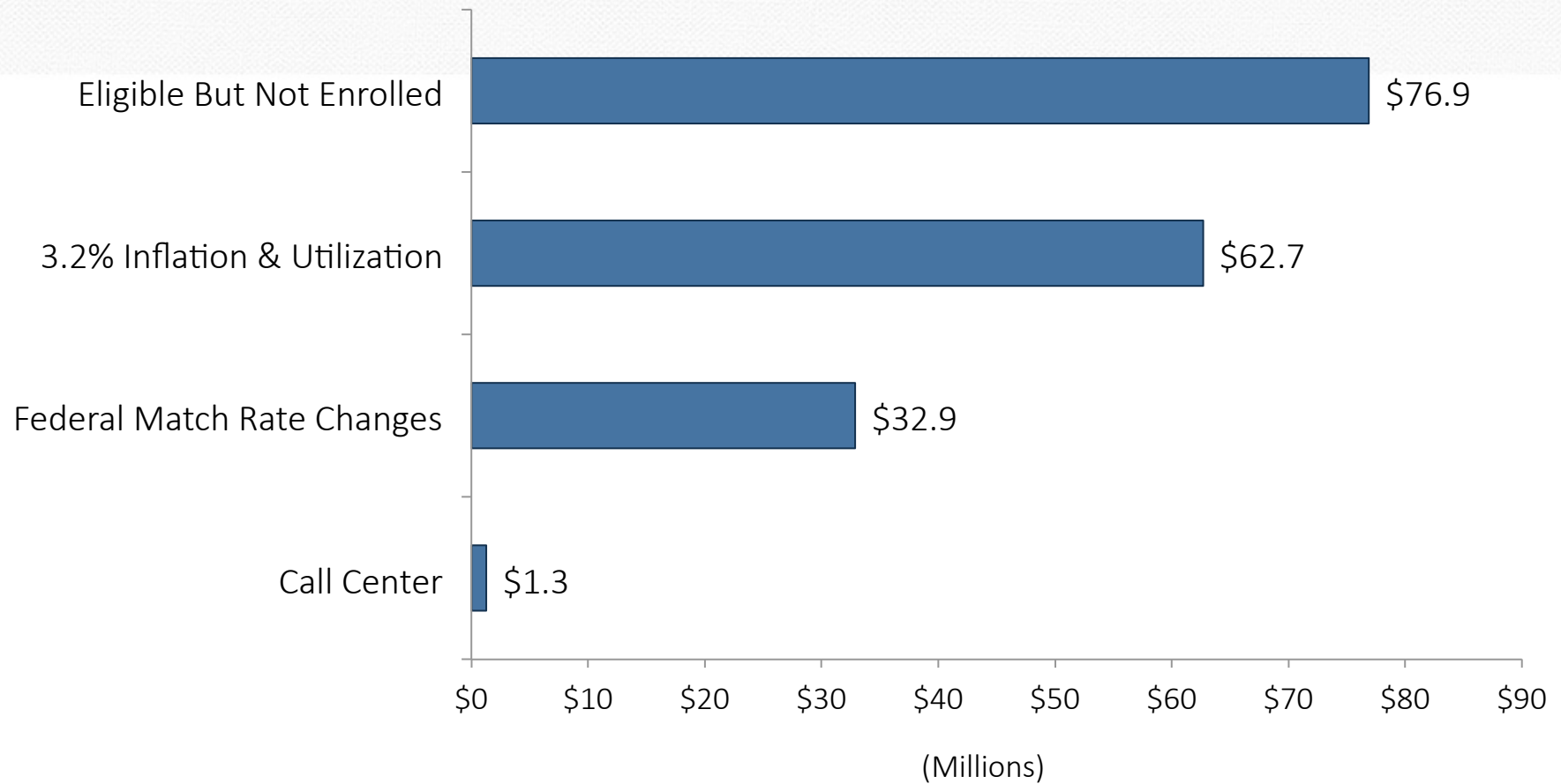


Drive To 55



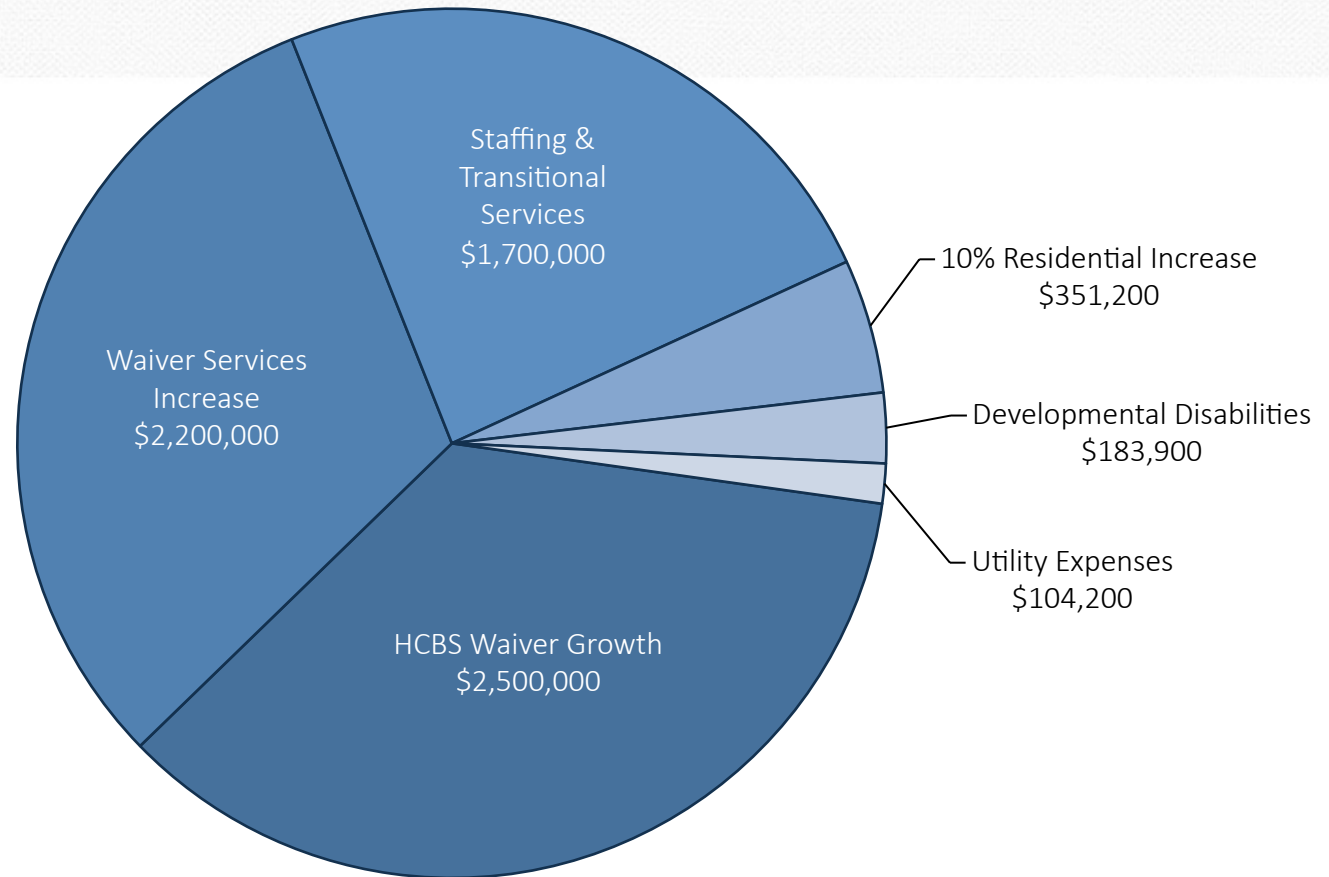


TennCare



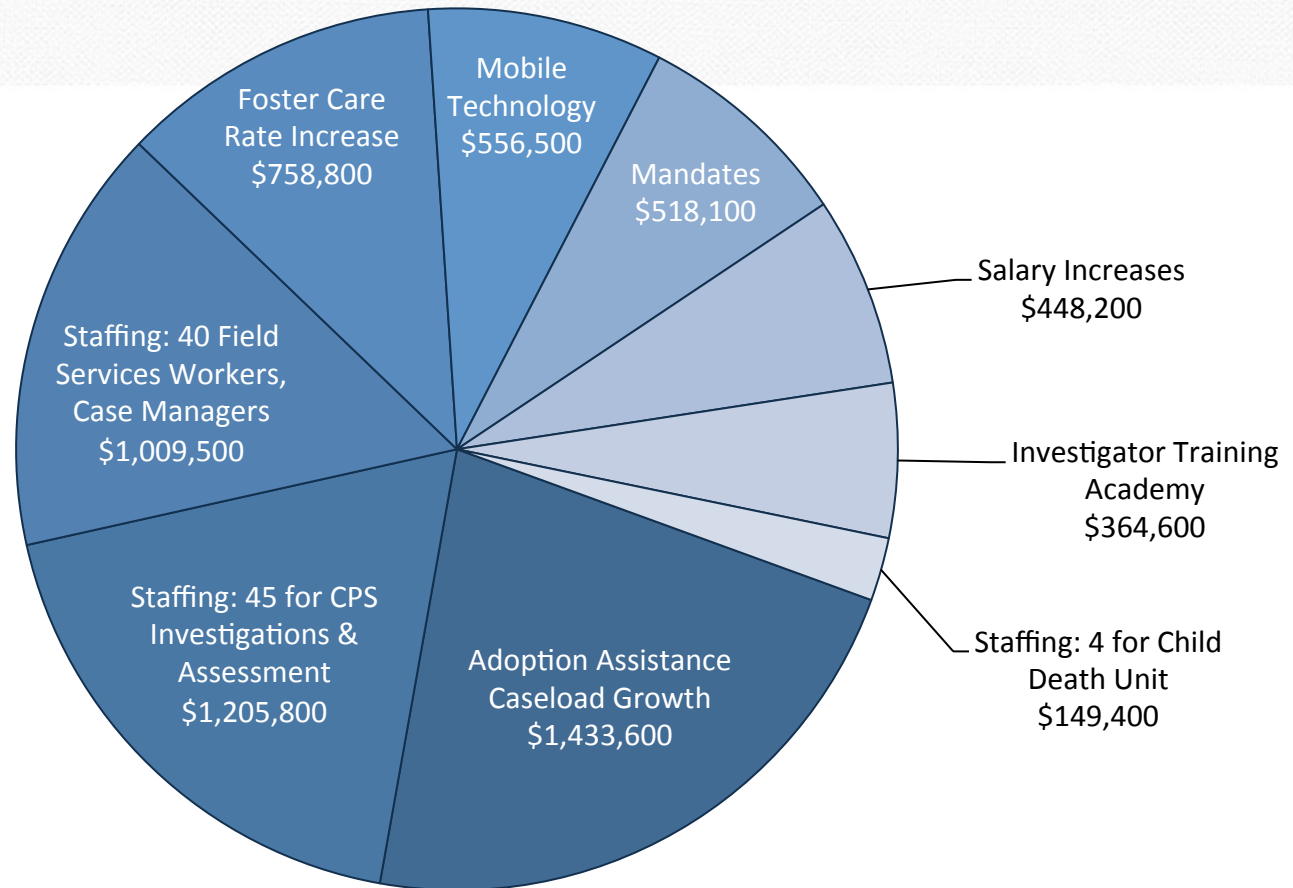
Intellectual & Developmental Disabilities

State Funding Increase:
\$7,039,300



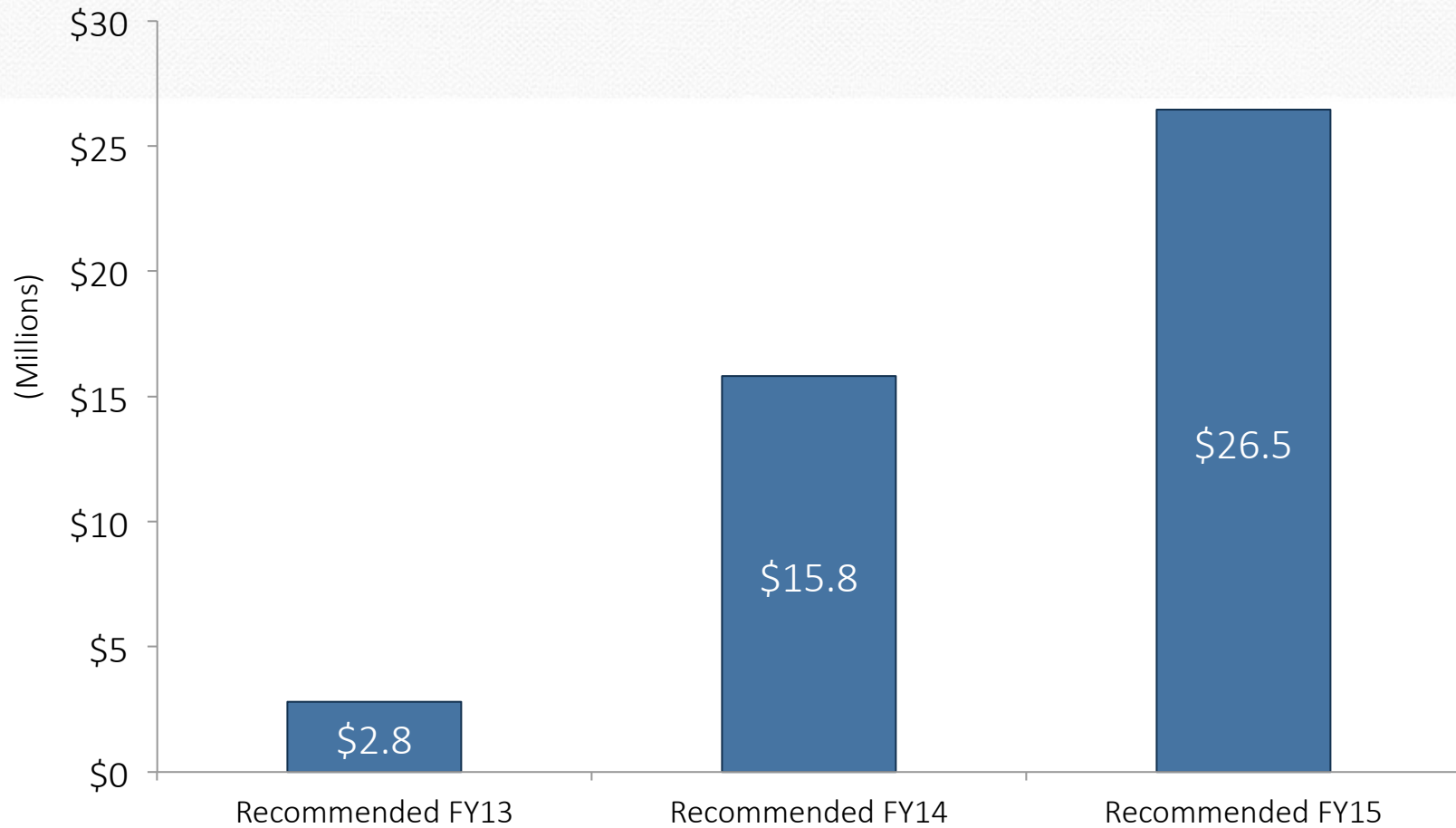
Children's Services

State Funding Increase:
\$6,444,500



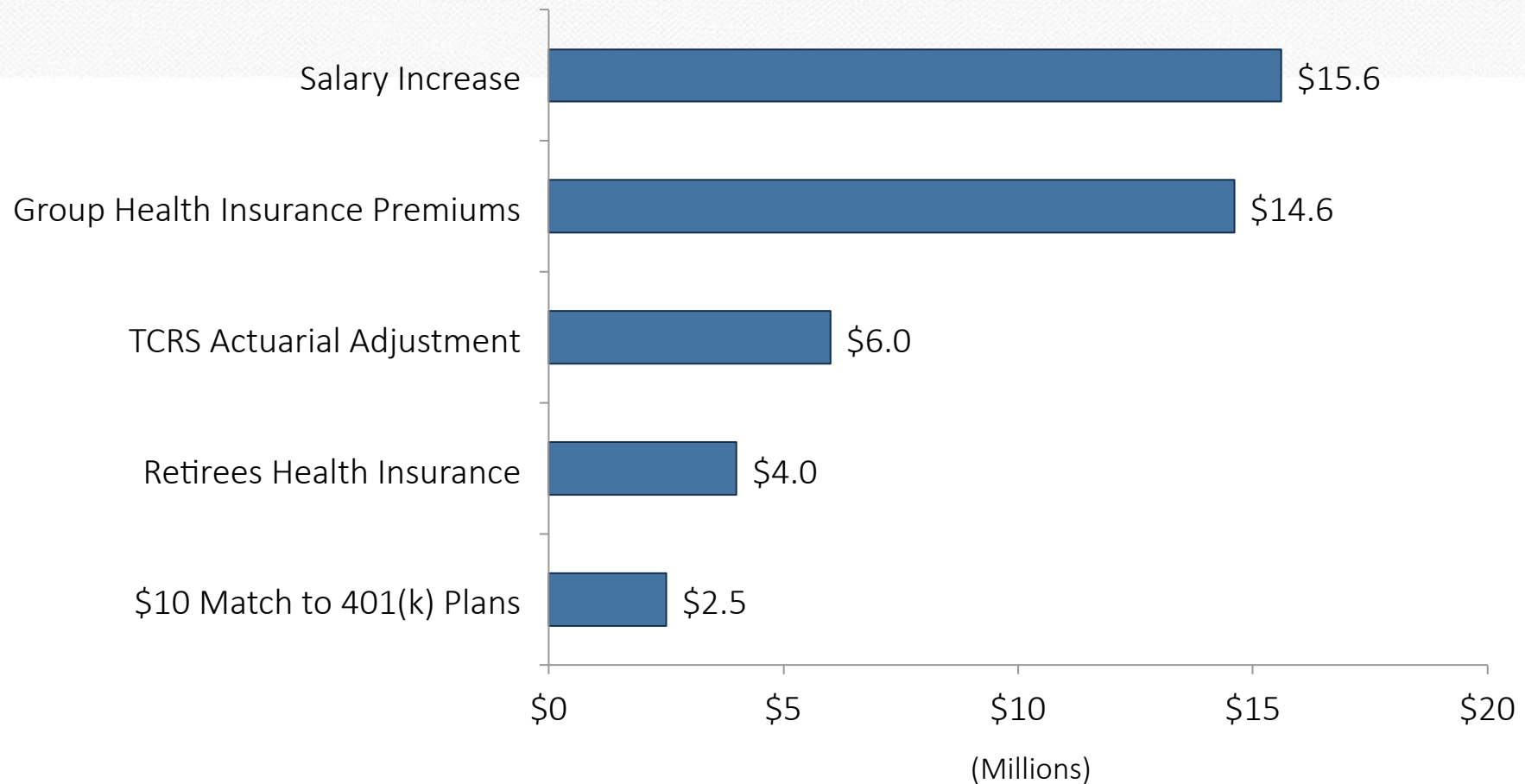


New Information Technology Funding





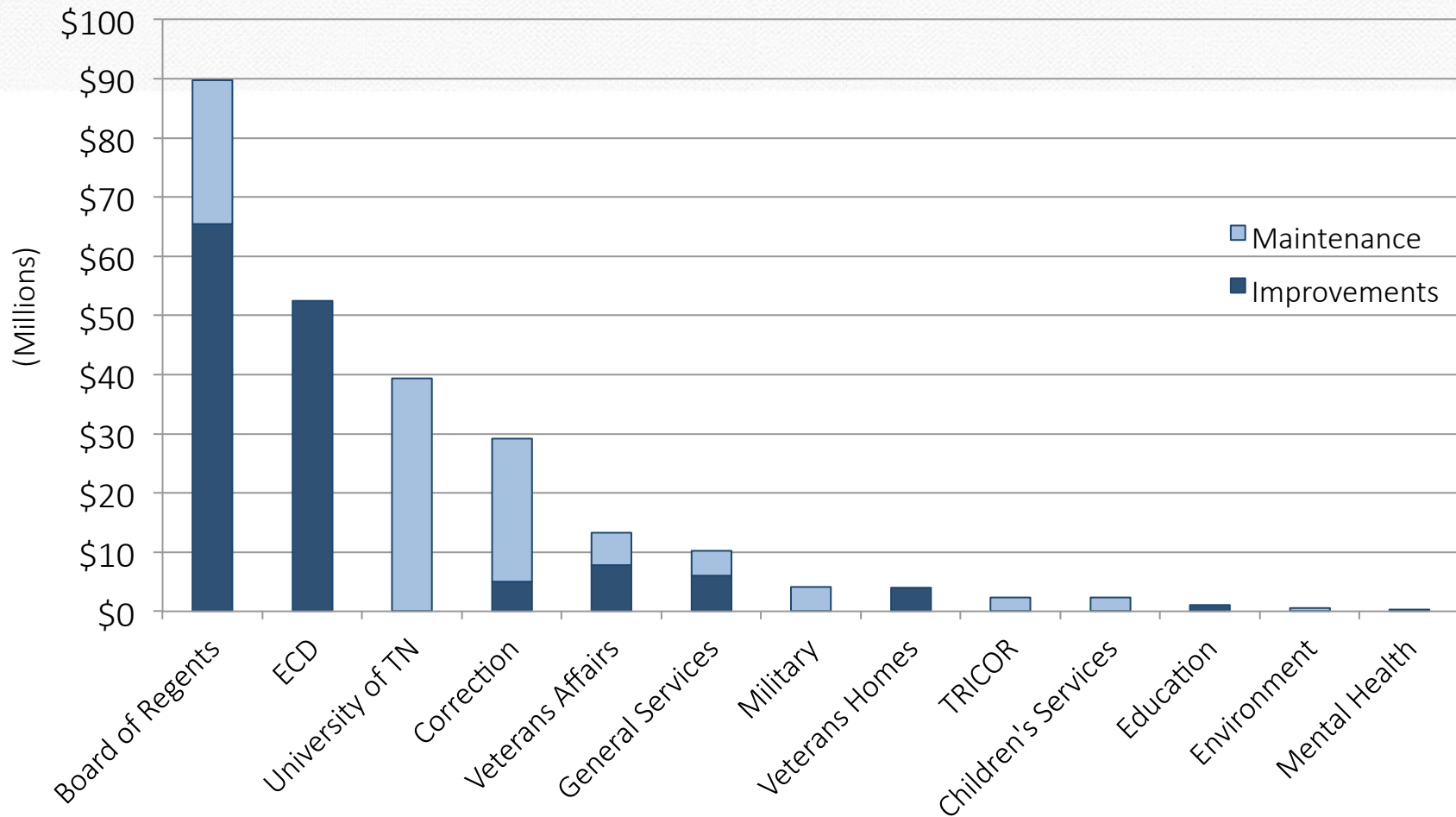
State Workforce Investments





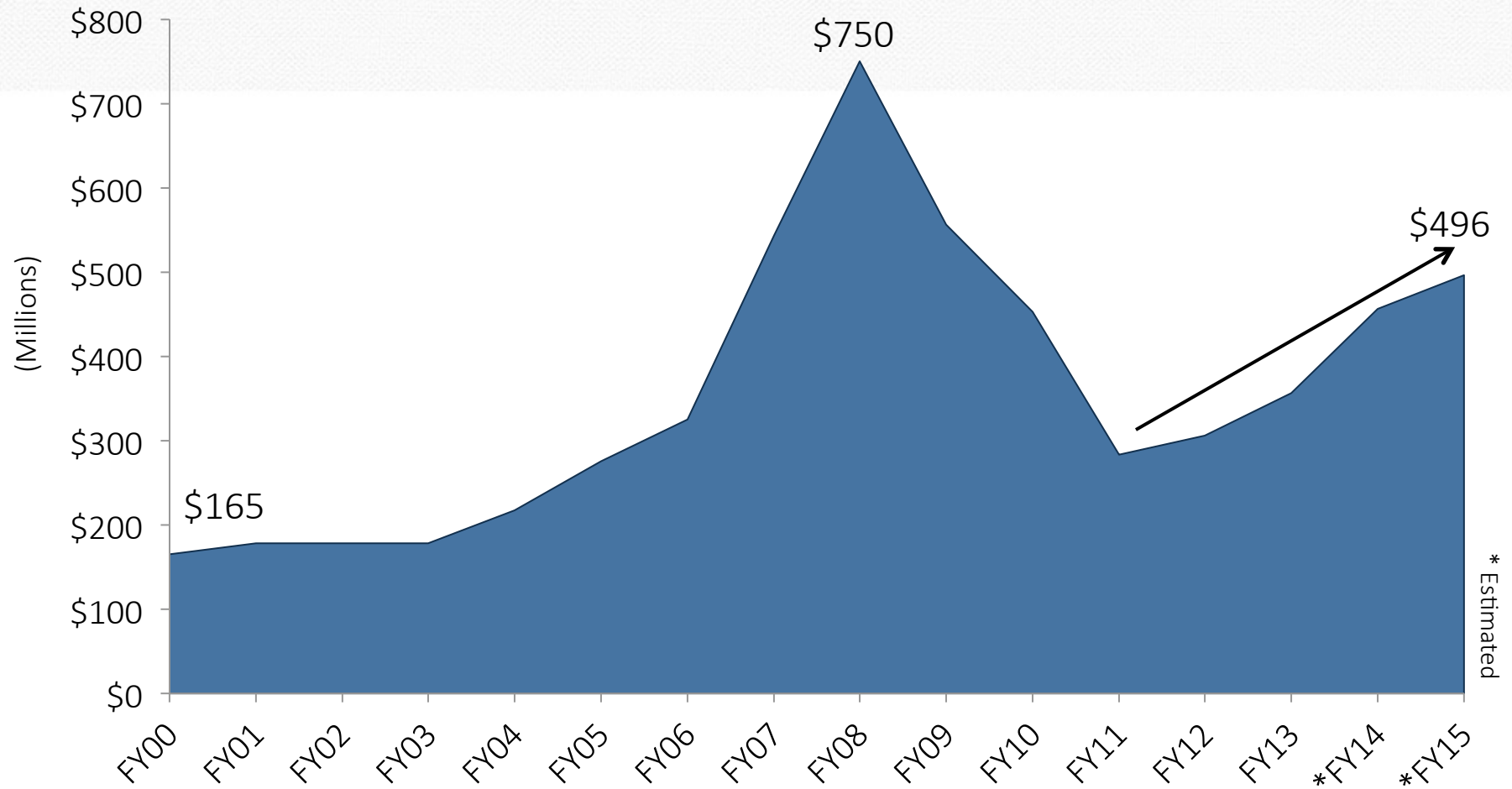
Capital Appropriations

Improvements and Maintenance





Rainy Day Fund Balances





Highlights

1. Realistic revenue assumptions
2. Achievable and responsible base reductions plans
3. Funds key education initiatives
4. Improves services for vulnerable populations
5. Increases the Rainy Day Fund to almost \$500 million